Enclosure 2 in No. 20.

Mr. Blackfan to Mr. Creighton.

Post Office Department, Office of Foreign Mails,

Washington, D.C., 10th January, 1882.

I am directed by the Postmaster-General to inform you that he has to-day transmitted to the Speaker of the House of Representatives, for consideration by Congress, your letter of the 19th instant and its enclosure, relative to the continuance, after November, 1833, when the existing contract expires, of the mail service between San Francisco and New Zealand and New South Wales, performed by the Pacific Mail Steamship Company, under contract between that company and the Governments of the colonies named.

I am, &c.,

JOSEPH H. BLACKFAN,
Robert J. Creighton, Esq., Agent,
New Zealand Government, 500, Montgomery Street, San Francisco, California.

Enclosure 3 in No. 20.

Mr. CREIGHTON to Sir HENRY PARKES.

Referring to our conversation yesterday relative to the California and Australian mail service, I beg to state for your information that, in accordance with a request from the Secretary of the New Zealand Post Office, I applied to the Postmaster-General at Washington for a recommendation to Congress from the Post Office Department in favour of a remission of the transit charges on the enclosed colonial mails across this continent. I based this request upon the manifest advantage to American commerce from continuing the Australian mail service, in support of which I enclosed a memorandum by myself setting out the facts more fully, and referred the Postmaster-General to an article in the International Review (New York) for last December, written by me, upon the importance of the colonial markets as openings for American trade, in which this argument is elaborated. I suggested further that the United States Post Office should receive the postal payments from Great Britain under the Thornton-Tyner convention, and that Congress should appropriate the total amount, which should be paid direct to the contracting colonies. In this way substantial aid would be given to the mail service by the United States, and it could be accomplished without exciting hostile comment by rival steamship companies, as would be the case were an application made for a subsidy to the steamship company carrying the mail. I had another purpose in view in making this suggestion. The payments would be made to the colonies direct, and would go into revenue; in the case of a subsidy the steamship company would derive all the advantage.

The Hon, the Postmaster-General of the United States wrote to me, under date 10th January,

The Hon. the Postmaster-General of the United States wrote to me, under date 10th January, that he had that day transmitted to the Speaker of the House of Representatives, for consideration by Congress, my letter of the 19th ultimo, and its enclosures, relative to the continuance after November, 1883, when the existing mail contract expires, of the mail service between San Francisco and New Zealand and New South Wales, performed by the Pacific Mail Steamship Company and the Governments named. The proposal is now before the Committee on Post Offices and Post Roads most probably. If favourably received by the Committee, I have no doubt it would be carried into effect by Congress. It would be a substantial aid to the colonies, from the fact that the following sums were paid by the British Post Office to the Washington Treasury Department under the Tyner-Thornton contract, as per letter of Mr. Blackfan, Superintendent of Foreign Mails, dated 12th December, 1881, in reply to a communication from me urging the prompt payment of last year's appropriation of \$40,000 to the contracting colonies—namely: For the fiscal year 1880, \$89,277.27; for the fiscal year 1881, \$94,515.69. Mr. Blackfan informed me that the first quarterly payment would be forwarded by next mail, and doubtless it is now on its way to the colonies.

You will gather from the foregoing, therefore, the status of the mail-subsidy question, and my reasons for seeking to convert the American transit charge into an annual contribution in aid of the service. Were the payments simply remitted, Great Britain would make the postage reductions as at present, and the colonies would derive no advantage whatever from the liberality of the American Government. On the other hand, were a subsidy voted to an American company, the colonies would not be a gainer. My proposal appears to me to be the only one which cannot fail to aid the Treasuries of the contracting colonies.

I am, &c.,

Sir Henry Parkes, K.C.M.G.

SIR,-

ROBT. J. CREIGHTON.

No. 21.

The THIRD ASSISTANT POSTMASTER-GENERAL, Washington, to the Hon. the Postmaster-General.

Post Office Department, Office Third Assistant Postmaster-General, Division of Finance,

Washington, D.C., 24th December, 1881.

Herewith find warrant No. 15450 for \$5,000 in your favour, which please present for payment immediately, thereby very materially facilitating the business of the department.

Date and sign the annexed receipt, and return the circular entire by first mail to this office.

I have, &c., A. D. HAZEN,

The Postmaster-General, Wellington.

Third Assistant Postmaster-General.